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THIS IS UNEVALUATED INFORMATION

THE 1952 REORGANIZATION OF GDR INLAND WATER TRANSPORT

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This state of affairs, together with the introduction of cost accounting, called for changes, which found expression in the above-mentioned decree of the government. Taking the place of the giant DSU with headquarters in Potsdam, there now are the following authorities: the Deutsche Schifffahrts- und Umschlagsbetrieb (German Water Transport and Transshipping Authority) Berlin, for the Central German waterways, including inland waterways of Mecklenburg and the Oder River; the Deutsche Schifffahrts- und Umschlagsbetrieb Magdeburg, for the region of the Elbe and Saale rivers, and the Deutsche Schifffahrts- und Umschlagsbetrieb Stralsund, for the Mecklenburg East coast and the Peene River.

These authorities are independent legal entities. The port and transshipping enterprises in these areas are subordinated to these authorities as legally dependent branch enterprises which, however, do their own planning and accounting.

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In addition to cargo transport, the Berlin and Stralsund authorities are also engaged in passenger service. This is necessary, since there are not enough people-owned passenger ships to warrant a separate organization for them.

A special enterprise for passenger transport service has been set up for the Elbe River, with headquarters at Dresden. It is well known that Sachsen's "White Fleet" constitutes the biggest share of the people-owned passenger fleet. Since shipping on the upper Elbe River is not confined to excursion traffic but also provides scheduled services for the working population, an independent organization is justified. Beyond the Sachsen area, the Dresden Water-Transport Enterprise for passenger service also handles the organization of passenger water transportation in the Magdeburg area and on the Saale River. The German Water Transport and Transshipping Authorities for Magdeburg and Halle act as agents of the Dresden enterprise.

Article 4, Section 2, of the decree of 20 February 1952 provides that the people-owned German water transport and transshipping enterprises are subordinate to the GDS (Generaldirektion Schifffahrt, Directorate-General for Water Transport). This underlines the close relationship between enterprises and National administration. While up to the present the GDS has been able to gather but scanty data on operational development, there now is provision for making these directly available. Furthermore -- and this is of special importance -- the GDS will now be able to influence the fulfillment of all operational plans without an intermediary such as the DSU. It thus has responsibility for over-all operations in the enterprises without depriving local managers of their own responsibilities.

Article 5 of the decree mentions the obligation to conclude transport contracts with shippers. This emphasizes the special significance for transportation services of the government's decree of 6 December 1951 introducing a general contract system for shipping among people-owned and equivalent enterprises. It is well-known that in the first 6 months of any year all transportation services, and not only inland water transport, are loaded below capacity, while from September on transportation demand exceeds transportation capacities. The conclusion of transport contracts is expected to bring about a change to as uniform a utilization of transport facilities as possible, distributed over the entire year. Users must take seasonal shipments into account when making their plans, and shipments other than seasonal must not be made in the fall but during the period of recession. Bulk items, such as coal and building materials, must therefore be stockpiled.

Moreover, such contracts between the carriers (DSU) and the users are a prerequisite for strengthening the relation between the transport carriers and private water transport. It is known that the enterprises of the DSU maintained insufficient and spotty liaison with private water-transport enterprises. It is also known that private shippers had no confidence in the DSU since the DSU did not adhere to its contracts. Unconditional faith in keeping contracts is essential if private shipping is to change its attitude toward the people-owned DSU enterprises. The new DSU enterprises must convince private enterprise by results. On the other hand, the latter must change their negative attitude to the new economic development of the German Democratic Republic. They must come to realize that their own development is bound up with that of the DSU, and that their property can be maintained only if they take an affirmative attitude toward the peaceful development of the German Democratic Republic, instead of covertly, or even openly, as occurred recently in Aken-on-Elbe, where there was propaganda against the Oder-Neisse peace border.

Improved performance is vital for all water transport in regard to speed and safe carriage. The idea that inland water transport is slow and that its use inordinately hampers the circulation of money and merchandise must be done away with. The transport customer must not be given the impression that he has to

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load and unload with haste, while the transportation space, following loading or unloading, takes a trip disproportionately long compared with the time required for loading or unloading, or the space remains unused for a long time.

The old freight rates, which are relics of the liberal economy, no longer suit the economic circumstances. A new rate schedule for inland water transport being prepared at present, will be based on actual performance, i.e., weight and distance. The subdivision into six classes according to low and high tariff items will be retained. Mixed transportation (rail/ship or ship/rail) in Classes 5 and 6 will be dealt with so that direct railroad rates will not be exceeded, but perhaps even be undercut. The reduction in charges for certain types of freight will be balanced by a slight increase for the high tariff items of Classes 1 to 4. It seems that after introduction of the new schedule there will be no freight rates, even in mixed transportation, exceeding those of direct Reichsbahn transports.

Not only will freight rates be changed, but the multitude of transshipment charges will be unified at the same time. This is necessary if harbor and transshipment enterprises are to have comparable revenues and thus be prevented from passing their operating costs on to the consumer. Charges for shipments made in part only by water transport will in the future be expressed as one fee, which will not exceed direct rail charges and will be composed of three elements: (1.) rail freight, (2.) transshipment charges, and (3.) water freight.

No enterprise will be able to charge any additional costs for transportation or transshipment. This simple and clear viewpoint will be embodied in the schedules of charges which the Ministry of Finance will issue. At the same time legal price contracts of former freight commissions for inland water transport will become void. The custom of charging the shipper or consignee for excess wages for ships' crews comes under this heading. Necessary overtime will be paid by the actual employer instead of by third parties. This means that the beneficiary of reduced loading time himself accepts the burden of paying overtime to his workers. The freight rate system of inland water transportation will then be clear to everyone, instead of being the secret of a limited number of experts.

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